



# **SAN DIEGO TOURISM MARKETING DISTRICT FY2011**

**Presentation to the Citizens Revenue Review and  
Economic Competitiveness Commission  
July 1, 2010**

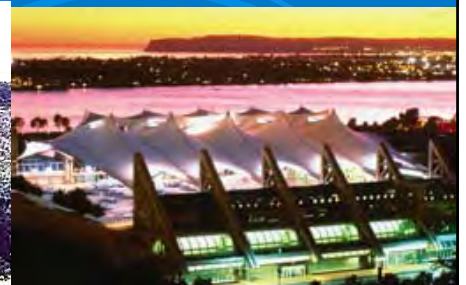
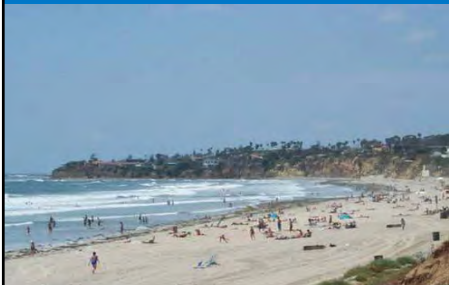
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The Tourism Marketing District is a public–private partnership that generates new revenue, relieves General Fund expenses, and empowers those businesses with local expertise to recommend programs that will optimize the return on investment for the City and its Tourism Industry.



# TMD BASICS

- ❖ TMD is citywide
- ❖ 183 Hotels with 70 or more rooms are assessed
- ❖ Assessment is 2% of gross room rent
- ❖ Assessments may be passed onto transients
- ❖ Hotel operators remit assessments monthly
- ❖ SDTMD Corporation represents assessed hotels
- ❖ Implements TMD programs per 5 year agreement



# TMD PROGRESS

- ❖ May 2007 - TMD procedural ordinance
- ❖ Jan 2008 - TMD Established for 5 Years
- ❖ Jul 2008 - Programs Implemented
- ❖ Apr 2009 - Studies show Market Share Up
- ❖ Jun 2009 - FY2010 Budget Approved
- ❖ Mar 2010 - FY2009 ROI Audits Completed
- ❖ June 2010- FY 2011 Budget Unanimously  
Approved By City Council

# FUNDING PERCENTAGES

The Management Plan specifies these overall funding categories

- ❖ 50% San Diego Convention & Visitors Bureau
- ❖ 10% San Diego North Convention & Visitors Bureau
- ❖ 32% Variable Funding by Competitive Application
- ❖ 5% Opportunity/Catastrophe Reserve (incl Interest)
- ❖ 3% SDTMD and City Administration



# ECONOMIC ENVIRONMENT

- ❖ SD Recovering
- ❖ TMDs in California (44 as of April 2010)
- ❖ Tourism Trends – Business vs. Leisure
- ❖ FY2011 Forecast Growth 4.2%



# ROI FOR CITY OF SAN DIEGO AND TOURISM INDUSTRY

- ❖ Outpacing Competitive Sets – Leisure 2009  
Anaheim Los Angeles Phoenix Seattle

Markets	Room Nights	Wstn Mkt Shr	% Change YOY
Los Angeles	15,146,724	27.4%	-0.56 %
Anaheim	8,501,128	15.4%	0.01%
Phoenix	7,576,243	13.7%	0.07%
Seattle	6,037,962	10.9%	0.07%
<b>San Diego</b>	<b>9,161,228</b>	<b>16.6%</b>	<b>0.17%</b>
San Francisco	8,895,703	16.1%	0.25%

# ROI FOR SAN DIEGO - OTA

- ❖ Outpacing Competitive Sets:  
San Diego City TMD vs. County Non-TMD
- ❖ OTA Production: Expedia / Travelocity /Orbitz

Total SD County OTA Production		SDTMD Properties	Rest of County
2009 Room Nights	561,658	<b>422,992</b>	138,666
2008 Room Nights	483,645	<b>334,910</b>	148,735
YOY Change	16.1%	<b>26.3%</b>	-6.8%
Total Revenue '09	\$ 66,706,719	<b>\$ 51,199,728</b>	\$15,506,990
Total Revenue '08	\$ 68,734,431	<b>\$ 50,308,085</b>	\$ 18,426,345
YOY Rev. Change	-3.0%	<b>+1.8%</b>	-15.8%



# SDTMD FY2009 AUDITED RESULTS

- ❖ \$26.8 million in TMD Funds Deployed
  - ❖ 3.8 million hotel room nights produced
  - ❖ \$441.5 million in Room Night Revenue
  - ❖ \$46 million TOT for City's General Fund
  - ❖ 16.5 :1 Audited ROI (approximate)
- 
- ❖ \$0 TOT spent by City in FY2009 to support these programs vs. \$10.5 M of TOT spent by City the year before TMD was established.

# COMPETITIVE APPLICATION FOR VARIABLE FUNDING

- ❖ Return on Investment (ROI) analysis
- ❖ Application format
- ❖ Process refinements
- ❖ Notification
- ❖ Board meetings and presentations
- ❖ Scoring and Allocation Procedures



# BOARD RANKINGS

SDTMD Director Ranking Sheet:		FY 2011 Incremental Funding										Available	\$7,584,000
Director's Name:	Amount Requested	Luis Barrios	Richard Bartell	C. Terry Brown	Patrick Duffy	Bill Evans	Mohsen Khaleghi	Bob Rauch	Keri Robinson	Ray Warren	Total	Rank Order	Approved
Fixed: SD CONVIS: Base + Carryover	\$12,850,000											n/a	
Fixed SD North: Base + Carryover	\$ 2,770,000											n/a	
Nat'l Assoc. Elem. School Principals	\$ 85,000											n/a	\$ -
Balboa Park Centennial Planning	\$ 50,000											n/a	\$ 50,000
SD CONVIS: 8M program	\$ 7,150,000											n/a	\$6,150,000
SD Sports Commission	\$ 473,854	3	3	1	2	2	2	3	2	2	20	2.22	\$ 395,391
SD Bowl Game Association	\$ 500,000	1	4	2	1	6	3	1	1	1	20	2.22	\$ 375,000
CA State Games	\$ 100,000	4	1	5	5	1	4	4	3	3	30	3.33	\$ 75,000
SD Film Commission	\$ 655,200	2	2	6	4	3	1	8	4	7	37	4.11	\$ 511,400
Comp. Group: RR Marathon	\$ 291,020	12	5	4	6	7	6	2	5	4	51	5.67	\$ 145,510
SD Brewers Guild: Beer Week	\$ 50,000	5	8	3	9	5	11	5	7	6	59	6.56	\$ 50,000
San Diego Crew Classic	\$ 150,000	6	6	7	8	4	5	11	8	8	63	7.00	\$ 100,000
SD Bayfair: Thunderboats	\$ 206,000	7	14	8	7	8	7	10	10	10	81	9.00	\$ -
SD Bay Wine & Food Fest	\$ 75,000	10	9	9	11	11	9	12	9	5	85	9.44	\$ 45,000
Accessible SD: Core Budget Only	\$ 94,500	8	10	12	10	9	8	13	6	11	87	9.67	\$ 75,000
The Century Club	\$ 250,000	11	11	11	3	r	13	7	13	15	84	10.50	-
MCCSN	\$ 105,600	9	7	10	12	16	14	9	11	9	97	10.78	\$ 52,800
Bike the Bay	\$ 5,000	13	15	13	14	12	12	6	12	12	109	12.11	-
Citizen Diplomacy Council of SD	\$ 24,000	14	16	14	13	15	10	14	14	14	124	13.78	-
Newmarketingonline/Hotel Week	\$ 150,000	15	12	15	15	14	15	16	15	13	130	14.44	-
Pazzo Entertainment	\$ 250,000	16	13	16	16	13	16	15	16	16	137	15.22	-
\$10,615,174		136	136	136	136	126	136	136	136	136			\$8,025,101
Net Needed from Opportunity/Catastrophe Reserve													\$ 441,101

# PROJECTED RESULTS

Entity	Allocation	Room Nights	Room Rev	ROI
ConVis Base	\$11,850,000	1,299,953	\$165,900,000	14.0
SD North ConVis	\$2,770,000	225,203	\$27,700,000	10.0
SD CONVIS: Incr. Mktng.	\$6,150,000	674,659	\$86,100,000	14.0
SD Sports Commission	\$395,391	23,010	\$3,235,206	8.2
SD Bowl Game Association	\$300,000	43,000	\$5,289,000	17.6
CA State Games	\$75,000	16,650	\$2,079,000	28.0
SD Film Commission	\$491,400	17,500	\$2,170,000	4.4
RR Marathon	\$145,510	27,774	\$3,492,245	24.0
SD Brewers Guild: BW	\$50,000	2,500	\$309,050	6.2
SD Crew Classic	\$100,000	5,500	\$704,000	7.0
SD Bay Wine Food Festival	\$45,000	2,000	\$298,000	6.6
Accessible San Diego Core Budget	\$75,000	0	\$0	0.0
MCCSN	\$52,800	6,000	\$768,000	14.6
<b>FY 2011 Totals</b>	<b>\$22,585,101</b>	<b>2,353,449</b>	<b>\$299,577,683</b>	<b>13.3</b>

*Note: ConVis ROI excludes carryover*

*The SDTMD Corporation asks that the Commission consider recommending to the City Council that the term of the TMD be extended beyond its initial pilot period...*





# QUESTIONS?

